



MAINE REVENUE SERVICES

SALES, FUEL & SPECIAL TAX DIVISION

INSTRUCTIONAL BULLETIN NO. 24

VEHICLE DEALERS

This bulletin is intended solely as advice to assist persons in determining, exercising or complying with their legal rights, duties or privileges. It contains general and specific information of interest as well as interpretations and determinations by Maine Revenue Services regarding issues commonly faced by your business. Portions of the Sales and Use Tax Law referred to in this bulletin can be found at the end of the bulletin in [Attachment #1](#).

The following instructions relate to sales of motor vehicles, snowmobiles, all-terrain vehicles, tractors, semi-trailers, trailers, camper trailers, truck campers, aircraft and watercraft. As used in this bulletin, the term "vehicle" includes all of these kinds of property.

The Sales and Use Tax Law requires persons engaged in the business of selling tangible personal property or taxable services to register as sellers, to add the sales tax to the sale price on all sales not exempt under law, and to report and pay tax to the State on their total taxable sales.

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1. TAXABLE SALES

A. SALE PRICE ON WHICH TAX IS BASED

The definition of "sale price" includes "services which are a part of a retail sale." Based on this provision of the law, all charges occurring prior to passage of title of the vehicle are considered part of the sale price of the vehicle and are thus subject to the sales tax. "Sale price" includes:

- "Processing fees" or "documentation fees."
- Manufacturers' and importers' excise taxes.
- Rustproofing, protection packages, installation of accessories and other additional work performed on the vehicle prior to the customer taking delivery and prior to passage of title. In contracts for the sale of a vehicle, title is deemed to pass when the customer accepts delivery.
- Manufacturer's rebates. No deduction is allowed from the sale price for manufacturer's rebates. The fact that the rebate is assigned by the purchaser to the dealer does not change the taxability of the transaction.

B. EXCLUSIONS FROM SALE PRICE

"Sale price" does not include:

- Discounts allowed by the dealer, including dealer rebates.
- Services provided after the customer takes delivery and after passage of title.
- Federal Luxury Tax and other retailers' excise taxes.
- Recycling Assistance Fees
- Lead-Acid battery deposits
- Lemon Law Arbitration Fees
- Title or encumbrance Fees
- State Inspection Fees
- Finance charges
- Extended warranties, provided the contract is optional to the purchaser and separately stated.
- Credit life insurance

C. RETURNED MERCHANDISE

When a vehicle or part is returned by a customer for a full refund, the sales tax is fully refundable to the customer. If a vehicle or part is returned and the customer only receives a partial refund of the purchase price, no sales tax is refundable to the customer, unless such partial refund is due to the terms and conditions pursuant to a warranty. For example, if a customer returns a defective tire after having used the tire for a period of time, and the terms of the warranty are such that after specified lengths of use, the warranty will only cover a certain percentage of the original purchase price, the sales tax would be refundable based upon the amount actually refunded to the customer. Under any other circumstances partial refunds do not warrant the refunding of any of the sales tax. The tax which the dealer has already reported can be recovered by reducing Line 1 "Gross Receipts" on a subsequent Sales and Use Tax Return.

2. EXEMPT SALES

Vehicles that are sold exempt from tax for any of the reasons noted below must be listed by the dealer on the Dealer's and Lessor's Supplemental Report (Form ST-MV-8) and submitted to the Sales Tax Section along with their regular monthly Sales Tax Return (Form ST-7). Affidavits, when applicable, must be obtained to support the exempt sale and submitted with the ST-MV-8 report listing the exempt sale. The dealer should be careful to retain sufficient information to verify the exemption, including the exemption number where applicable.

A. SALES TO GOVERNMENT AGENCIES

Sales made directly to the Federal government, this State or any political subdivision of this State, including counties, cities, towns or plantations of this State, or to any unincorporated agency of the above, or to any incorporated agency or instrumentality wholly owned by the above, are exempt from sales tax. In these cases, no evidence of exemption is required other than the invoice indicating that the sale was made to the exempt entity. (Sales to other states or foreign countries or their subdivisions are generally not exempt from sales tax.)

B. SALES TO EXEMPT ORGANIZATIONS

The Sales and Use Tax Law provides exemption to various organizations, such as hospitals, certain schools, and churches or houses of religious worship, as well as other organizations. The burden of proving that a sale is to an exempt organization will be met only if the seller obtains from the purchaser a copy of the organization's valid exemption certificate issued by Maine Revenue Services. Please note that this exemption does not apply to sales made to clergy, or to staff members or employees of exempt organizations. The exemption does not extend to vehicles, other than automobiles, when leased to exempt organizations. Please refer to [Sections 4 and 5](#) of this bulletin for more information on renting and leasing.

Copies of purchase orders, invoices or sales slips and a copy of the purchaser's exemption certificate must be kept by the seller in order to substantiate sales to exempt organizations. The exemption number of the organization must be indicated on the ST-MV-8

C. SALES OF CERTAIN VEHICLES

The following sales are provided exemption under §1760 or exclusion under §1752 of the Sales and Use Tax Law. Please refer to Attachment 1 of this bulletin for specific language to each exemption.

- i. Sales to automobile dealers of dual-controlled automobiles used in driver training programs. See [Section 1760, sub-§21](#).**
- ii. Sales of automobiles to amputee veterans. See [Section 1760, sub-§22](#).**

A sale in this State of a vehicle to a person in military service is handled in exactly the same way as a sale to a civilian. However, a sale of an automobile to an amputee or disabled veteran is exempt when the veteran has provided the dealer with a letter from the Veterans Administration certifying that he or she has been granted free registration. A qualifying veteran can own only one such exempted vehicle at a time. The exemption for amputee or disabled veterans is not applicable to rented or leased vehicles.

- iii. Sales or leases of motor vehicles, all-terrain vehicles, semi-trailers, aircraft, camper trailers, truck campers and watercraft to nonresidents for immediate removal from Maine. See [Section 1760, sub-§ 23, 25, and 25-A](#).**

The sales tax does not apply to sales of the above vehicles purchased in Maine by a permanent legal resident of another State and intended to be driven or transported outside the State immediately upon delivery by the seller. A similar exemption applies to truck bodies and trailers manufactured in Maine. At the time of the sale the dealer and purchaser must complete Form ST-MV-33 (for motor vehicles, semi-trailers, aircraft, camper trailers and truck campers) or Form ST-P-19AE (for watercraft and all-terrain vehicles), copies of which are attached to this Bulletin

The dealer must forward the appropriate affidavit to Maine Revenue Services along with the Dealer's Supplemental Sales Report on which the sale is reported as exempt.

There is no exemption for sales to nonresidents of trailers (except semi-trailers and camper trailers) not manufactured in Maine and motorized equipment not designed for highway use.

When a watercraft and trailer are sold as a "package" to a nonresident for immediate removal from the State, the portion of the sale price attributable to the trailer must be separately stated and sales tax collected on that amount.

iv. Sales of snowmobiles to nonresidents. See [Section 1760, sub-§25-B](#).

Sales tax does not apply to the sales of snowmobiles to a permanent legal resident of another State. At the time of the sale the dealer and the purchaser must complete form ST-P-39, certifying that the purchaser is a legal resident of another State. The dealer must forward this affidavit to Maine Revenue Services along with the Dealer's Supplemental Sales Report on which the sale is reported as exempt.

v. Sales of automobiles for rental or lease. See [Section 1752, sub-§ 1-B, and B\(5\)](#).

This exemption applies to automobiles only, whether rented or leased on a short-term or long-term basis. Short-term means a period of less than one year. Long-term means a period of 12 months or more.

The exemption also applies to parts and operating supplies such as motor oil, etc. but only when sold for use in an automobile rented on a short-term basis.

The seller must obtain a Certificate of Exemption, [Form ST-MV-63](#) (sample attached), when making sales of automobiles for rental or lease and retain it as evidence that the sale was in fact exempt.

vi. Vehicles used in interstate or foreign commerce. See [Section 1760, sub-§41](#).

This exemption applies to any “vehicle” and is not limited to motor vehicles, but also includes trailers and semi-trailers designed for the conveyance of property on public highways.

This exemption is restricted to vehicles that meet the following criteria:

It must be placed in interstate or foreign commerce within 30 days of purchase (90 days for good cause).

It must be used 80% of the time in interstate or foreign commerce for 2 years following the date of purchase.

It must be used **by the purchaser** using their own ICC license, hauling exempt commodities or hauling their own goods.

This exemption does not apply to vehicles that are leased or that are operating under someone else’s ICC authority.

Dealers and purchasers must complete an affidavit, [Form ST-MV-57A](#) (copy attached), at the time of the sale; and the dealer must file the affidavit with the Dealer's Supplemental Sales Report on which the sale is claimed to be exempt. (See [Rule No. 318](#) and [Instruction Bulletin No. 34](#) for additional information.)

vii. Clean Fuel Vehicles. See [Section 1760, sub-§79](#).

This exemption is only a partial exemption that applies by two different methods depending upon the transaction. It applies to the sale of any new vehicle that uses clean fuel as defined by [§1752, 1-F and 1-G](#). This exemption does not apply to the sale of a used vehicle.

If there is no identical gas-powered model on the market then the sales tax applies to 50% of the sale price of the vehicle. If there is a trade-in involved then the 50% exemption applies first, to the full sale price, then the allowance is made for the trade-in. For example, if a hybrid vehicle sells for \$15,000, and the customer is allowed a \$5,000 for a trade-in, the 50% exemption would first be applied to the \$15,000 sale price, reducing the base to \$7,500; then the \$5,000 trade-in allowance would be deducted, reducing the taxable price to \$2,500. If this calculation results in a negative amount, the tax will be zero.

If there is an identical gas-powered model available, the exemption amount is the difference between the price of the gas-powered model and the price of the hybrid vehicle. In other words the sales tax applies to the price of the gas-powered model. For example, if a hybrid vehicle sells for \$20,000 and the identical gas-powered model sells for \$15,000 then tax would apply to \$15,000 of the selling price of the hybrid vehicle and the exemption would apply to \$5,000.

D. OUT-OF-STATE DELIVERY BY DEALER

When a vehicle is sold in Maine but delivery is made by the seller to the customer at a point outside this State, the Maine sales tax does not apply. The dealer in such a case must complete an affidavit, [Form ST-MV-36](#) (copy attached), and file this affidavit with the Dealer's Supplemental Sales Report form on which the sale is claimed to be exempt.

Please note that this affidavit must be signed by the person making the delivery, not by the customer; and that it must be completed at the time of delivery.

If the vehicle subsequently returns to Maine within 12 months from the date of purchase, the purchaser may become liable for use tax based on the original sales price.

A transaction involving an out-of-state delivery should be distinguished from one involving a nonresident purchaser who removes a vehicle from the State immediately upon delivery as explained in Section C, subsection iii above. The dealer is cautioned to use the proper affidavits to support the applicable exemption.

E. USE IN COMMERCIAL AGRICULTURAL PRODUCTION, COMMERCIAL FISHING OR COMMERCIAL AQUACULTURAL PRODUCTION

The Sales and Use Tax Law provides an exemption for depreciable machinery and equipment and repair parts for qualifying machinery and equipment used in commercial agricultural production, commercial fishing or commercial aquacultural production if the purchaser has a Certificate of Exemption card issued by Maine Revenue

Services. This exemption applies to property suitable only for use in commercial agricultural production, commercial fishing or commercial aquacultural production and specifically excludes motor vehicles.

Watercraft suitable for use in commercial fishing or commercial aquacultural production, and farm tractors and other farm equipment, may qualify for exemption under this provision. The exemption does not apply when equipment suitable for other use, such as front-end loaders, and lawn and garden tractors, are purchased. However the purchaser may be entitled to a refund of the sales tax paid directly from Maine Revenue Services. **Motor vehicles (including snowmobiles and all-terrain vehicles) and trailers designed for highway use do not qualify for this exemption or refund under any circumstances.**

A copy of the purchaser's Certificate of Exemption card and an Affidavit of Exemption, [Form ST-L-154](#) (copy attached), signed by the purchaser must be retained by the seller to document the exempt sale. For further information regarding sales of machinery and equipment for use directly in commercial agricultural production, commercial fishing or commercial aquacultural production, please see [Instruction Bulletin No. 44](#) (relating to commercial fishing), [Instruction Bulletin No. 45](#) (relating to commercial agriculture) or [Instruction Bulletin No. 49](#) (relating to commercial aquacultural production).

3. TRADE-INS

When one or more of the items listed in Section 1765 of the Law (see attachment) are traded in toward the sale price of another item of the same kind, i.e. motor vehicle traded for a motor vehicle, watercraft for a watercraft, etc., the sales or use tax is levied only upon the difference between the sale price of the purchased vehicle and the trade in value allowed for the vehicle or vehicles taken in trade, except for transactions between dealers involving exchange of the vehicles from inventory. However, when a motor vehicle is traded in toward a watercraft or a camper trailer is traded in toward a motor home or if any item of one kind is traded in toward an item of another kind, no credit for trade-in is allowed and the tax applies to the entire sales price. No credit for trade-ins is allowed on leased vehicles (unless the lease is a lease in lieu of purchase). Please refer to [Sections 4 and 5](#) of this bulletin for more information on leases and rentals.

If any other property is traded towards one of the items listed in Section 1765, tax applies to the entire sales price, including allowance for trade-in. For example, if a refrigerator is traded in towards the purchase of a watercraft, no trade-in credit is allowed and the tax is based on the sale price of the watercraft.

Please note that for sales tax purposes there is no credit allowed for trade-ins on boat trailers, snowmobile trailers or any other utility trailers.

A. MOTOR VEHICLES

In transactions involving motor vehicles, the allowance for trade-in in computing sales or use tax will apply only when both vehicles involved are self-propelled and are

designed for the conveyance of passengers or property on the public highway. All-terrain vehicles and snowmobiles are included within the definition of "motor vehicles". Trailers of any type do not qualify as motor vehicles as they are not self-propelled. "Motor vehicles" includes cranes, shovels, cement mixers, and other equipment permanently attached to, what would otherwise be considered a motor vehicle, when sold as one unit. "Permanently attached" means that the components are physically joined together in a secure fashion and that they are not separated to be used independently.

Since a slide-in truck camper can be used independently, it is not an accessory (or part) of a truck. If a truck that has a slide-in camper attached to it, is traded-in on the purchase of another truck (without a slide-in camper) any trade-in allowance given for a slide-in truck camper is not creditable against the sales tax.

B. CAMPER TRAILERS AND TRUCK CAMPERS

The definition of "camper trailers" in the Sales and Use Tax Law refers to the definition in Section 1481 which reads:

“A. A trailer or semi-trailer primarily designed and constructed to provide temporary living quarters for recreational, camping, travel or other use.”

“B. A manufactured or home made tent trailer, so called, which consists of a platform, shelf or box, with means of permanently or temporarily attaching a tent, used to provide temporary living quarters for recreational, camping, travel or other use.”

The definition of “truck camper” in §1752, sub-§20-A reads:

“‘Truck camper’ means a slide-in camper designed to be mounted on a truck body to provide temporary living quarters for recreational, camping, travel or other use.”

C. SPECIAL MOBILE EQUIPMENT

Special mobile equipment, for trade-in purposes, includes farm tractors and self-propelled vehicles and loaders used to harvest lumber. Self-propelled vehicles and loaders used to harvest lumber includes skidders, crawler tractors, and log loaders that are used for harvesting lumber. It may appear that special mobile equipment would also qualify as a motor vehicle. However, special attention should be paid to the definitions found in Attachment 1. “Motor vehicles” are “designed for the conveyance of passengers or property on the public highways.” “Special mobile equipment” is not designed for that purpose and “may be only incidentally operated or moved over the highway.” For example, a crane which is permanently attached to a motor vehicle and sold as one unit is considered a motor vehicle. On the other hand, a crane which is self-propelled, but hauled from location to location on a flat bed, is considered special mobile equipment even though it may incidentally be operated over the road.

Common examples of special mobile equipment include: bull dozers; front end loaders; fork lifts; lawn tractors; back hoes; cranes; etc. Special mobile equipment must

be self-propelled and intended to be driven by someone, thus excludes “walk-behind” units.

Any of the above-mentioned equipment can be traded in against each other as “like-for-like” special mobile equipment for sales tax purposes.

D. LIVESTOCK TRAILERS

The Sales Tax Law does not provide a definition of livestock trailer. However, it will be considered that a livestock trailer is a vehicle without motive power, designed for carrying livestock and for being drawn by a motor vehicle. "Livestock trailer" includes horse trailers.

E. WATERCRAFT

A trade-in allowance is provided when a watercraft is traded against another watercraft. An attachment or accessory to the watercraft, i.e. an outboard motor, is considered a part of the watercraft when sold or traded. Trailers, however, do not qualify for trade-in allowance even when traded along with the watercraft.

4. LEASES AND RENTALS OF AUTOMOBILES

The Sales and Use Tax Law treats the rental and leasing of automobiles differently from other vehicles. The following provides information on how short-term and long-term rentals and leases are to be treated for sales and use tax purposes. For this provision, automobile includes 4-wheel pick up trucks and passenger vans, but does not include vehicles with more than 4 wheels, motorcycles, campers, motor homes or cargo vans.

A. SHORT-TERM RENTALS OF AUTOMOBILES

The Sales and Use Tax Law imposes a 10% tax on all short-term rentals involving automobiles. Short-term means a lease or rental period of less than one year. A dealer involved with short-term rentals of automobiles would purchase the automobile free of tax and collect tax on each rental payment. Dealers should supply their vendors with a [Form ST-MV-63](#) when purchasing automobiles for rental purposes. All rental payments made pursuant to rentals executed in Maine are subject to tax irrespective to whether such automobiles are to be used exclusively in Maine or are to be used in other states.

B. LONG-TERM RENTALS OF AUTOMOBILES

The Sales and Use Tax Law imposes a 5% tax on automobiles rented or leased for 12 months or more. The tax is due in the month in which the lease begins. The tax base consists of the total monthly lease payments plus the equity of any trade-in plus any cash down payment. Total monthly lease payments are arrived at by multiplying the dollar amount of each lease payment by the number of payments in the lease term. Taxes, such as excise taxes and sales taxes, are allowable exclusions from the tax base. Ancillary services such as registration fees, life/disability insurance, warranties and management services, are excluded only if separately stated from the lease payment. Trade-in equity is the value of any trade-in which reduces the cost of the lease. For long-term lease

transactions trade-in credits are not allowed. Cash down payment represents any initial cash payment which is a cost reduction to the lease. Cash down payment includes rebates applied to the lease. It does not include pre-payment of lease payments or sales tax, excise tax, registration fees and other required "up front" costs which are disbursed by the lessor.

Beginning July 1, 2003 out of state residents that enter into a long term lease of an automobile with a Maine dealer can sign an "Immediate Removal Affidavit" stating that they are going to immediately remove the automobile from the State. This relieves the dealer from having to collect sales tax on the lease transaction.

5. LEASES AND RENTALS OF VEHICLES OTHER THAN AUTOMOBILES

The following information is applicable only to vehicles other than automobiles (unless otherwise noted). Refer to Section 4 of this bulletin for information on leasing automobiles. There are several types of leases each of which has a different tax consequence. Dealers involved in any of the following leases of vehicles other than automobiles should refer to [Instructional Bulletin 20](#) for more detailed information.

A. TRUE LEASE

In a true lease, the lessor enters into a lease agreement with a lessee for a stated period of time and the vehicle is to be returned to the lessor at the conclusion of the lease term. The lessor is making a taxable use of the vehicle through the derivation of rental income. The lessor is liable for a use tax, due at the beginning of the lease, based on the lessor's cost of the vehicle. If the vehicle is returned to the lessor and leased to another party, no additional use tax is due. No sales tax is charged to the lessee nor are lease payments subject to tax.

B. LEASE WITH OPTION TO PURCHASE

In a lease with option to purchase, the same liability to the lessor exists as stated in a true lease. However, at the end of the term, the lessee has the option to purchase the vehicle for a stated amount, fair market value or some other value. If the option is exercised, a taxable sale occurs and sales tax would be charged at that time to the lessee based on the option price, including any amounts previously paid as rentals and applied to that price.

C. LEASE IN LIEU OF PURCHASE (including automobiles)

In a lease in lieu of purchase, the lessee will acquire title at the end of the lease term. This type of lease is deemed a "sale" at the commencement of the lease. The lessee would be charged sales tax up front based on the total lease payments. Leases with nominal purchase options, such as \$1.00, are considered leases in lieu of purchase. Finance charges which are separately stated may be excluded from the taxable base.

D. TRADE-INS

Trade-in credits are only allowed in transactions involving the "sale" of vehicles. Unless the lease is in lieu of purchase, trade-in credits are not allowed on leased vehicles.

E. LEASES TO EXEMPT ORGANIZATIONS

The exemption provided to certain organizations identified in Section 2B of this bulletin applies only to "sales" made to these organizations. However, rentals and leases of automobiles, leases in lieu of purchase, and other rentals that are taxed based upon the rental charge, when made to exempt organizations are exempt from tax. In all other cases, a lease to an exempt organization is subject to tax. In the case of a lease with option to purchase, the lease is taxable as described in (B) above, while the sale which occurs when the option is exercised is exempt.

F. INTERIM RENTALS

The Sales and Use Tax Law contains a special provision to cover situations where tangible personal property which had been purchased for resale is rented as an incident to holding the property for resale. This does not apply to situations where the purchase of the property was for rental purposes and the ultimate sale of the property is incidental only. Nor does it apply to short-term or long-term rentals or leases discussed above.

The law permits the retailer in such cases to elect to collect and remit sales tax on rental payments rather than pay a use tax on the purchase price. Sales tax on rentals is to be passed on to the original and any subsequent lessees. If the property is rented to a person for more than one year or makes other use of the property, other than rental or sale, the election is void and the retailer is liable for use tax on the property.

6. REPAIRS AND MAINTENANCE

When repair parts or accessories are installed in a vehicle owned by the customer, and the charge for installation or repair labor is separately stated from the charge for the parts or accessories, only the materials portion of the sale is subject to tax. If labor and materials are not separately stated, the entire amount charged to the customer is taxable.

A. MANUFACTURERS' WARRANTIES

Manufacturers' warranties are considered part of the sales price of the vehicle when originally purchased. Since the warranty has been taxed as part of the original purchase, parts associated with repairs pursuant to a manufacturer's warranty are not taxable.

B. EXTENDED WARRANTIES

The sale of an extended warranty is not taxable provided the purchaser has the option to purchase the warranty and the warranty is separately stated from the sale of the vehicle. Parts associated with repairs pursuant to an extended warranty are taxable.

Where the customer is not responsible for any additional payment for repairs under warranty, the dealer is liable for use tax on the repair parts based on the dealer's cost. If the customer is liable for all or a portion of the repair, the dealer would charge sales tax to the customer on the portion attributable to repair parts.

C. GOODWILL REPAIRS

Repairs made at no charge to the customer are considered to be pursuant to an implied warranty if the vehicle was originally purchased from the dealership. No tax would be due on the parts since the implied warranty would have been part of the original purchase price of the vehicle.

D. CORE CHARGES

Customers who purchase certain property which can be reconditioned and resold by the seller are encouraged to bring their used property to the seller by being charged what is called a core charge. The core charge is usually refunded or credited to the customer when the used property is brought to the seller. Core charges are considered part of the selling price of the new property being purchased and is subject to tax. For instance, an alternator may be sold for \$80.00 with a core charge being stated in the amount of \$10.00. The total selling price subject to tax is \$90.00. If a used alternator is traded-in at the same time as the purchase of the new alternator, the selling price subject to tax remains at \$90.00 even though a \$10.00 credit is allowed. If the used alternator is returned to the seller at a later date and the customer is refunded the \$10.00 core charge, no refund of sales tax is allowed. The definition of "sale price" does not exclude an allowance of this sort nor are core charges allowable as trade-in credits.

E. REPAIR PARTS AND SUPPLIES

Tools and equipment used in the repair of a vehicle are subject to tax when purchased by the dealer. Most vehicle dealerships that have a service or repair shop included in their business usually maintain an inventory of "shop supplies". This term is very broadly used within the industry however. For Maine sales and use tax purposes it is necessary that a distinction be drawn between inventories of items which are "used" or consumed by the dealership and inventories of items which are ultimately transferred to the possession of customers.

i. Consumables.

Items falling within this category which are "used" or consumed by the dealership in the performance of their service are taxable to the dealership. If the Maine sales tax is not paid at the time of purchase then the dealership must accrue a use tax on these items. Maine Revenue Services does not recognize these items as part of an all-inclusive category called "shop supplies" that may be billed out as a line item to the customer. Following is a non-exclusive list of items that are considered to be consumed by the repair shop:

Adhesives/glue
Brake cleaner

Aerosol products
Brake lathe bits

Battery cleaner
Brushes

Buffing compound/pads	Car wash soap	Choke cleaner
Cleaners	Deodorizer	Disc brake quieter
Drill bits	Engine degreaser/cleaner	Floor dry
Gases/oxygen, acetylene	Glass cleaner	Gloves
Grinder wheels	Hacksaw blades	Hand cleaner
Key tags	Light bulbs – facility	Masks
Paper mats/floor/seat	Paper towels	Protective eyewear
Putty spreaders	Rags	Razor blades
Sandpaper	Soap	Tape/electrical/duct
Wash mitts	Washer/solvent	Wax

ii. Billable shop supplies.

For Maine sales/use tax purposes items which are ultimately transferred to the possession of the customer can be handled one of two ways:

- a. These items can be itemized & billed to the customer as a taxable sale.
- b. These items can be maintained all together as one “inventory” & billed out to the customer as a percentage of labor or other charge and taxed as a single line item, commonly called “shop supplies”.

Following is a non-exclusive list of items that would fall into this category:

A/C & heater treatment	A/C oil	Batteries (small AA)
Body filler	Brake fluid/power steering	Brake line fittings
Coolant	Dyes-oil/A/C	Electrical terminals
Electrical wire	Gasket maker/adhesive	Grease/gear lube
Hardener	Helicoils	Hose clamps
Keylock parts	Light bulbs – vehicle	Nuts & bolts
Paint/thinner	Pipe sealant	Plastic wire ties
Rubber hoses	Rubberized undercoating	Screws
Silicon	Small nuts, bolts, fasteners	Solder
Spray trim adhesive	Strip caulking	Tape
Thread lock	Touch up paint	Vacuum fittings
Valve stem caps	Welding rods	Wheel weights
Wire looms		

7. USE TAX LIABILITY OF DEALERS

Use tax is imposed on the use or consumption in this State of tangible personal property when sales tax was not paid at the time of purchase.

Dealers may from time to time purchase items outside this State for use or consumption in Maine without paying tax at the time of purchase. Similarly, a dealer will from time to time withdraw items from the dealer's own stock of parts for the dealer's own use, which were purchased tax free through use of a resale certificate. In such cases, the purchase price must be

reported on the monthly sales and use tax return under "taxable purchases" and included in the taxable base upon which tax is computed.

A. DEMONSTRATORS

There is no tax on vehicles used by dealers for demonstration or display purposes only. The operation of a vehicle on dealer's plates will be considered presumptive evidence of use for demonstration purposes only. This does not apply to tow trucks or car carriers.

Payment of sales or use tax is required on vehicles that are regularly registered in the name of a person or corporation, even though that person or corporation is a dealer of such vehicles registered under the Sales and Use Tax Law.

Vehicles sold by dealers to their salespersons are bought for consumption or use. Therefore, these sales are subject to tax.

B. PURCHASE AND REPAIR OF SERVICE VEHICLES

Any vehicle, other than demonstrator vehicles, used by a dealer for the operation of the business is subject to Maine Sales/Use Tax. This would include, but not be limited to, wreckers, plow trucks, loaner vehicles, courtesy vehicles, parts & service vehicles and any other type of maintenance vehicles. The only exception to this would be a vehicle that was taken in as a lesser trade on the sale of another vehicle. Under this circumstance there would be no use tax liability.

Purchases of replacement parts for use by a dealer in reconditioning the dealer's own service vehicles are subject to tax. If parts purchased for resale are withdrawn from inventory for this use, the dealer must report and pay use tax on the cost of the parts.

C. PARTS USED TO REPAIR USED VEHICLES FOR RESALE

Parts used to repair a used vehicle in order to put it into a saleable condition are not taxable when purchased by the dealer, since they are purchased for resale. The tax collected at the time the used vehicle is sold will include the value of parts installed. However, consumable supplies, such as cleaners & waxes, used in the reconditioning of a vehicle for sale are subject to tax.

D. CONSUMABLE SUPPLIES USED TO RECONDITION A USED VEHICLE

Consumable supplies, protective apparel, tools and equipment used in the reconditioning of a vehicle are subject to tax when purchased by the dealer. Such items would include, but not be limited to: cleaning products, waxes, polishes, gloves, safety goggles, paper towels, protective mats, squeegees, rags, brushes, and tape.

For more detailed information about vehicle body work, please refer to [Instructional Bulletin 1](#).

E. USE OF PROPERTY PURCHASED FOR RESALE

A seller who purchases property tax-free for resale, but subsequently withdraws the property from inventory for use inconsistent with holding the property solely for demonstration and sale, becomes liable for use tax on the cost of the property. A taxable use occurs upon the lease of a vehicle other than an automobile, or the gift or personal use of a vehicle of any type. Use tax liability accrues at the time the property is removed from inventory for use. When an automobile is withdrawn from inventory solely for rental on a short-term basis, the rental payments are subject to tax and no use tax is due on the cost of the automobile.

F. VEHICLES TAKEN IN TRADE

As explained in Section 3 of this Bulletin, the tax on a transaction involving the sale and trade-in of a motor vehicle for a motor vehicle, a watercraft for a watercraft, etc. is measured by the net price after allowance for trade-in. Such transactions actually involve two sales, one from the dealer to the customer, and one from the customer to the dealer, each of which includes a trade-in. However, since the price (i.e. allowance) of the vehicle traded in to the dealer by the customer is generally less than the price of the vehicle sold to the customer, the sale to the dealer by the customer rarely would result in tax liability even if it were not a sale for resale.

Consequently, when a dealer withdraws from inventory a vehicle which was acquired by trade-in, for use inconsistent with holding the property solely for demonstration and sale, there will be no use tax liability unless the vehicle was acquired by the dealer either in a transaction where more was paid (i.e. allowed) by the dealer for the trade-in than was charged by the dealer for the vehicle sold, or in a transaction with another dealer involving the exchange of property from inventory. For example: Dealer A exchanges (trades) a vehicle from inventory with Dealer B and then leases to a customer the vehicle received in trade from Dealer B. The tax liability of Dealer A is based upon the full price of the vehicle acquired from Dealer B with no allowance for trade-in.

8. REPORTING AND PAYMENT OF TAX BY VEHICLE DEALERS

Maine vehicle dealers must collect and report sales tax on all vehicles sold in this State, unless the purchaser qualifies for one of the tax exemptions described in Section 2 of this Bulletin. A Maine vehicle dealer does not have the option of allowing the purchaser to pay the tax directly to the vehicle registration agency at the time of registration.

Dealers who represent a third party lessor by completing the leasing contract and related documents are acting as an agent of the lessor. Such agents must collect and report the tax due on the lease. When such leases involve an automobile leased for 12 months or more the dealer must complete the Lessor's Certificate and report the total taxable leasing charges on the Dealer's and Lessor's Supplemental Report. Additional information concerning leasing automobiles for a year or more is provided in a separate publication.

A. SALES TAX RETURN, (ST-7)

Every registered seller, including vehicle dealers, must file on or before the 15th day of each month the "Sales and Use Tax Return," (Form ST-7) covering all sales for the previous calendar month and showing tax liability for that period. These return forms are automatically sent to all registered sellers the first of each month. Payment of tax is due at the same time the return is filed.

B. DEALER'S AND LESSOR'S SUPPLEMENTAL REPORT, (ST-MV-8)

Dealers must complete and file the Dealer's and Lessor's Supplemental Report with each "Sales and Use Tax Return". The dealer must list each vehicle for which the Dealer's Certificate (or the Lessor's Certificate) has been issued. All sales including exempt sales must be listed. (Each lease of an automobile leased for a year or more must be listed.) Trailers sold along with another vehicle as part of a "package deal" must be listed separately.

Please indicate your sales tax registration number on the form. Supplies of the report form can be obtained by contacting the Sales Tax Section.

The following forms must accompany the Supplemental Report:

- [Form ST-MV-33](#) for motor vehicles, semi-trailers, aircraft, camper trailers, and truck campers sold for immediate removal from Maine
- [Form ST-P-19AE](#) for watercraft and all-terrain vehicles sold for immediate removal from Maine
- [Form ST-MV-36](#) for Out-of-State Deliveries
- [Form ST-MV-57A](#) for vehicles used by the purchaser in interstate or foreign commerce
- [Form ST-P-39](#) for snowmobiles sold to nonresidents

Supporting documentation must be retained in the files of the dealer to support the following exemptions. Exemption numbers, where applicable, must be indicated on the ST-MV-8.

- Sales for resale
- Sales of automobiles to be rented or leased
- Sales to exempt organizations
- Sales to amputee veterans
- Sales to persons engaged in commercial farming, fishing or aquaculture
- Trade-in deductions. (See [Section 3](#) of this bulletin.)

C. DEALER'S AND LESSOR'S CERTIFICATE (STMV 6)

i. Sales of Vehicles

A properly completed Dealer's Certificate indicates that the purchaser has paid the sales tax or is not liable for it and (when submitted to a registration agent) that the purchaser can register the vehicle without any further obligation.

The dealer must issue the Dealer's Certificate for all sales except for:

- sales for resale;
- sales of certain vehicles for immediate removal from Maine;
- sales delivered outside of Maine; and
- bona fide brokerage sales when the tax is not collected.

The customer needs a separate Dealer's Certificate for each vehicle to be registered. The dealer should indicate their sales tax registration number on the certificate.

ii. Leases of Automobiles

When a dealer acts as an agent of the lessor, the dealer must collect the sales tax at the time of the lease. Dealers who are affiliated with a lessor and who negotiate the terms or conditions of the lease on behalf of the lessor are agents of the lessor (for example, when a Ford dealer acts on behalf of Ford Motor Credit Company by originating the leasing contract with the lessee). These agents must provide the lessee with a Lessor's Certificate (found on the reverse side of the Dealer's Certificate) indicating that the lessee has paid the sales tax or is not liable for the tax. This document allows the lessee to register the automobile without any further obligation.

iii. Leases of other Vehicles

For the lease of a vehicle other than an automobile the dealer must complete the Dealer's Certificate. When the dealer is the lessor and the lease is either a true lease or a lease with option to purchase, complete the certificate by checking exemption "E. Other" and indicating "lease", list the dealer's name as the "Purchaser", and report the use tax on the tax return as "Other Taxable Purchases" based on the amount the dealer paid for the vehicle. Dealers engaging in a lease in lieu of purchase must report the transaction as a sale and collect the sales tax based on the total of all the lease payments, less any finance charges if stated separately. (When the dealer sells a vehicle to a third party lessor, the dealer must collect the sales tax based on the sales price to the lessor and provide the Dealer's Certificate to whomever will register the vehicle.)

iv. Rental

Dealers engaging in short term rentals of automobiles must check off exemption "C" and provide their seller's registration number. Dealers engaging in an interim rental must check off "E. Other" and explain that the tax due will be reported as sales tax on their Maine Sales and Use Tax Return.

v. Consignment versus Brokerage Sales

A dealer who sells a vehicle which belongs to another person by negotiating the terms and conditions of the sale with the purchaser is making a consignment sale. Consignment sales are retail sales on which the dealer must collect and report sales tax, and issue a Dealer's Certificate. However, when the dealer does not negotiate the terms and conditions of such a sale, and acts only as an intermediary in a sale between the buyer and the seller, a bona fide brokerage sale occurs. In this case the dealer is not obligated to collect and report the tax and should not issue a Dealer's Certificate, unless the tax was collected.

9. ADDITIONAL INFORMATION.

The information in this bulletin addresses some of the more common questions regarding the Sales and Use Tax Law faced by your business. It is not intended to be all inclusive. Requests for information on specific situations should be in writing, should contain full information as to the transaction in question and should be directed to the:

**MAINE REVENUE SERVICES
SALES, FUEL AND SPECIAL TAX DIVISION
P.O. BOX 1065
AUGUSTA, ME 04332-1065
TEL: (207) 624-9693
TTY: (207) 287-4477**

<p>The Department of Administrative and Financial Services does not discriminate on the basis of disability in admission, to access to, or operation of its programs, services or activities.</p>

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ATTACHMENT #1
Excerpts taken from 36 M.R.S.A.

36 §1752. Definitions

1-A. Aircraft. "Aircraft" means any powered contrivance designed for navigation in the air except a rocket or missile.

1-B. Automobile. "Automobile," for purposes of [subsection 17-A, paragraphs B and H](#), means a self-propelled 4-wheel motor vehicle designed primarily to carry passengers and not designed to run on tracks.

1-F. Clean fuel. "Clean fuel" means all products or energy sources used to propel motor vehicles, as defined in [Title 29-A, section 101](#), other than conventional gasoline, diesel or reformulated gasoline, that, when compared to conventional gasoline, diesel or reformulated gasoline, results in lower emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide or particulates or any combination of these. "Clean fuel" includes, but is not limited to, compressed natural gas; liquefied natural gas; liquefied petroleum gas; hydrogen; hythane, which is a combination of compressed natural gas and hydrogen; dynamic flywheels; solar energy; alcohol fuels containing not less than 85% alcohol by volume; and electricity.

1-G. Clean fuel vehicle. "Clean fuel vehicle" means a vehicle that may be propelled by a clean fuel or a fuel-cell electric vehicle that uses any fuel.

3. Farm tractor. "Farm tractor" means any self-propelled vehicle designed and used primarily as a farm implement for drawing plows, mowing machines and other implements of husbandry.

7. Motor vehicle. "Motor vehicle" means any self-propelled vehicle designed for the conveyance of passengers or property on the public highways. "Motor vehicle" includes an all-terrain vehicle as defined in [Title 12, section 7851](#) and a snowmobile as defined in [Title 12, section 7821](#).

7-A. Vehicle. "Vehicle" has the same meaning ascribed to that term by [Title 29-A, section 101, subsection 91](#).

11. Retail sale. "Retail sale" means any sale of tangible personal property in the ordinary course of business for any purpose other than for resale, except resale as a casual sale, in the form of tangible personal property. "Retail sale" also means any sale of a taxable service in the ordinary course of business for any purpose other than for resale, except resale as a casual sale.

A. "Retail sale" includes:

(1) Conditional sales, installment lease sales and any other transfer of tangible personal property when the title is retained as security for the payment of the purchase price and is intended to be transferred later; and

(2) Sale of products for internal human consumption to a person for resale through coin-operated vending machines when sold to a retailer whose gross receipts from the retail sale of tangible personal property derived

through sales from vending machines are more than 50% of the retailer's gross receipts. The tax must be paid by the retailer to the State.

B. "Retail sale" does not include:

- (1) Any casual sale;
- (2) Any sale by a personal representative in the settlement of an estate, unless the sale is made through a retailer, or unless the sale is made in the continuation or operation of a business;
- (3) The sale, to a person engaged in the business of renting automobiles, of automobiles, integral parts of automobiles or accessories to automobiles, for rental or for use in an automobile rented on a short-term basis;
- (4) The sale, to a person engaged in the business of renting video tapes and video equipment, of video tapes or video equipment for rental;
- (5) The sale, to a person engaged in the business of renting or leasing automobiles, of automobiles for rental or lease for one year or more; or
- (6) The sale, to a person engaged in the business of providing cable television services, of cable converter boxes for rental or lease.
- (7) The sale, to a person engaged in the business of renting furniture, of furniture for rental.

13. Sale. "Sale" means any transfer, exchange or barter, in any manner or by any means whatsoever, for a consideration and includes leases and contracts payable by rental or license fees for the right of possession and use, but only when such leases and contracts are deemed by the State Tax Assessor to be in lieu of purchase.

13-A. Sale at retail. "Sale at retail" means retail sale.

14. Sale price. "Sale price" means the total amount of a retail sale valued in money, whether received in money or otherwise.

A. "Sale price" includes:

- (1) Services which are a part of a retail sale; and
- (2) All receipts, cash, credits and property of any kind or nature and any amount for which credit is allowed by the seller to the purchaser, without any deduction on account of the cost of the property sold, the cost of the materials used, labor or service cost, interest paid, losses or any other expenses.

B. "Sale price" does not include:

- (1) Discounts allowed and taken on sales;

- (2) Allowances in cash or by credit made upon the return of merchandise or with respect to fabrication services pursuant to warranty;
- (3) The price of property returned or fabrication services rejected by customers, when the full price is refunded either in cash or by credit;
- (4) The price received for labor or services used in installing or applying or repairing the property sold or fabricated, if separately charged or stated;
- (6) The amount of any tax imposed by the United States on or with respect to retail sales, whether imposed upon the retailer or the consumer, except any manufacturers', importers', alcohol or tobacco excise tax;
- (8) The fee imposed by [Title 10, section 1169, subsection 11](#);
- (9) The fee imposed by [section 4832, subsection 1](#); or
- (10) The lead-acid battery deposit imposed by [Title 38, section 1604, subsection 2-B](#).

14-B. Special mobile equipment. "Special mobile equipment" means any self-propelled vehicle not designed or used primarily for the transportation of persons or property which may be operated or moved only incidentally over the highways, including, but not limited to, road construction or maintenance machinery, farm tractors, lumber harvesting vehicles or loaders, ditch-digging apparatus, stone crushers, air compressors, power shovels, cranes, graders, rollers, well drillers and wood sawing equipment.

17-A. Taxable service. "Taxable service" means:

- B. Rental, for a period of less than one year, of an automobile;
- H. Rental or lease of an automobile for more than one year.

20-A. Truck camper. "Truck camper" means a slide-in camper designed to be mounted on a truck body to provide temporary living quarters for recreational, camping, travel or other use.

22. Camper trailer. "Camper trailer" has the same meaning as in [section 1481](#), but without any restriction on length.

24. Watercraft. "Watercraft" means any type of vessel, boat, canoe or craft designed for use as a means of transportation on water, other than a seaplane, including motors, electronic and mechanical equipment and other machinery, whether permanently or temporarily attached, which are customarily used in the operations of the watercraft.

36 §1760. Exemptions

21. Automobiles used in driver education program. Sales to automobile dealers, registered under section 1754, of automobiles for the purpose of equipping the same with dual controls and loaning or leasing the same to public or private secondary schools without consideration or for a consideration of not more than \$1 a year, and used exclusively by such schools in driver education programs.

22. Automobiles to amputee veterans. Sales of automobiles to veterans who are granted free registration of such vehicles by the Secretary of State under [Title 29-A, section 523, subsection 1](#). Certificates of exemption or refunds of taxes paid must be granted under such rules or regulations as the State Tax Assessor may prescribe.

23. Certain vehicles purchased or leased by nonresidents. Sales or leases of the following vehicles to a nonresident if the vehicle is intended to be driven or transported outside the State immediately upon delivery:

- A. Motor vehicles, except all-terrain vehicles as defined in [Title 12, section 7851](#) and snowmobiles as defined in [Title 12, section 7821](#);
- B. Semi-trailers;
- C. Aircraft;
- D. Truck bodies and trailers manufactured in the State; and
- E. Camper trailers, including truck campers.

If the vehicles are registered for use in the State within 12 months of the date of purchase, the person seeking registration is liable for use tax on the basis of the original purchase price.

Notwithstanding section 1752-A, for purposes of this subsection, the term “nonresident” may include an individual, an association, a society, a club, a general partnership, a limited partnership, a domestic or foreign limited liability company, a trust, an estate, a domestic or foreign corporation and any other legal entity.

25. Watercraft sold to nonresidents. Sales in this State to nonresidents of watercraft, when such craft are either delivered outside the State or delivered in the State to be sailed or transported outside the State immediately upon delivery by the seller; and any sales to nonresidents, under contracts for the construction of any such craft to be so delivered, of materials to be incorporated; and any sales to nonresidents for the repair, alteration, refitting, reconstruction, overhaul or restoration of any such craft to be so delivered, of materials to be incorporated. Unless the craft is present in the State for more than 30 days during the 12-month period following its date of purchase or is registered in Maine without also being registered in another state or documented with a location in this State, within 12 months of the date of purchase, the purchaser is exempt from the use tax.

25-A. All-terrain vehicles. All-terrain vehicles as defined in [Title 12, section 7851](#) purchased by a nonresident and intended to be driven or transported outside the State immediately upon delivery by the seller. The purchaser is exempt from use tax, unless the all-terrain vehicle is present in the State for more than 30 days during the 12-month period following the date of purchase or is registered in the State without being registered in another state within 12 months of the date of purchase;

25-B. Snowmobiles. A snowmobile, as that term is defined in [Title 12, section 7821, subsection 5](#), purchased by a person who is not a resident of this State;

41. Certain instrumentalities of interstate or foreign commerce. The sale of a vehicle, railroad rolling stock, aircraft or watercraft which is placed in use by the purchaser as an instrumentality of interstate or foreign commerce within 30 days after that sale and which is used by the purchaser not less than 80% of the time for the next 2 years as an instrumentality of interstate or foreign commerce. The State Tax Assessor may for good cause extend for not more than 60 days the time for placing the instrumentality in use in interstate or foreign commerce. For purposes of this subsection, property is "placed in use as an instrumentality of interstate or foreign commerce" by its carrying of, or providing the motive power for the carrying of, a bona fide payload in interstate or foreign commerce, or by being dispatched to a specific location at which it will be loaded upon arrival with, or will be used as motive power for the carrying of, a payload in interstate or foreign commerce. For purposes of this subsection, "bona fide payload" means a cargo of persons or property transported by a contract or common carrier for compensation which exceeds the direct cost of carrying that cargo or pursuant to a legal obligation to provide service as a public utility or a cargo of property transported in the reasonable conduct of the purchaser's own non-transportation business in interstate commerce.

76. Aircraft parts. The sale or use of replacement or repair parts of an aircraft in this State when used by a scheduled airline in the performance of service under federal regulations of the Civil Aeronautics Board, Part 298 or under 49 United States Code, Section 1371.

79 (TEXT EFFECTIVE UNTIL 1/1/06) Partial exemption for clean fuel vehicles.
A portion of the sale or lease price of a clean fuel vehicle as follows:

- A. That portion of the sale or lease price of a clean fuel vehicle sold by an original equipment manufacturer that exceeds the price of an identical vehicle powered by gasoline; or [1997, c. 791, Pt. A, §2 (new).]
- B. When there is no identical vehicle powered by gasoline:
 - (1) Thirty percent of the sale or lease price of an internal combustion engine clean fuel vehicle; or
 - (2) Fifty percent of the sale or lease price of a clean fuel vehicle either fully or partly powered by electricity stored in batteries, generated by a dynamic flywheel or generated by a fuel cell on board the vehicle. [1997, c. 791, Pt. A, §2 (new).

This subsection is repealed January 1, 2006.

36 §1765. Trade-in Credits

When one or more of the following items of tangible personal property are traded in toward the sale price of another of the same kind of the following items, the tax imposed by this Part shall be levied only upon the difference between the sale price of the purchased property and the trade-in allowance of the property taken in trade, except for transactions between dealers involving exchange of the property from inventory:

1. **Motor vehicles.** Motor vehicles;
3. **Watercraft.** Watercraft;
4. **Aircraft.** Aircraft;
6. **Chain saws.** Chain saws;
7. **Special mobile equipment.** Special mobile equipment;
8. **Livestock trailers.** Livestock trailers, including horse trailers; or
9. **Camper trailers and truck campers.** Camper trailers and truck campers.

36 §1811. Sales tax

A tax is imposed on the value of all tangible personal property and taxable services sold at retail in this State. The rate of tax is 7% on the value of liquor sold in licensed establishments as defined in [Title 28-A, section 2, subsection 15](#), in accordance with [Title 28-A, chapter 43](#); 7% on the value of rental of living quarters in any hotel, rooming house, tourist or trailer camp; 10% on the value of rental for a period of less than one year of an automobile; 7% on the value of prepared food sold in establishments that are licensed for on-premises consumption of liquor pursuant to [Title 28-A, chapter 43](#); and 5% on the value of all other tangible personal property and taxable services. Value is measured by the sale price, except as otherwise provided.

The tax imposed upon the sale and distribution of gas, water or electricity, or telecommunications services, by any public utility, the rates for which sale and distribution are established by the Public Utilities Commission, must be added to the rates so established. No tax may be imposed upon the sale or use of electrical energy, or water stored for the purpose of generating electricity, when the sale is to or by a wholly owned subsidiary by or to its parent corporation, except for electrical energy or water purchased for resale to or by such wholly owned subsidiary.

Rental or lease of an automobile for one year or more must be taxed at the time of the lease or rental transaction at 5% of the following: the total monthly lease payment multiplied by the number of payments in the lease or rental, the amount of equity involved in any trade-in and the value of any cash down payment. Collection and remittance of the tax is the responsibility of the person that negotiates the lease transaction with the lessee.

36 §1951-A. Collection of tax; report to State Tax Assessor

1. Monthly report and payment. Every retailer shall file with the State Tax Assessor, on or before the 15th day of each month, a report made under the pains and penalties of perjury on such form as the State Tax Assessor may prescribe that discloses the total sale price of all sales made during the preceding calendar month and such other information as the State Tax Assessor requires. The State Tax Assessor may permit the filing of returns other than monthly. The State Tax Assessor, by rule, may waive reporting nontaxable sales. Upon application of a retailer, the State Tax Assessor shall issue a classified permit establishing the percentage of exempt sales. The classified permit may be amended or revoked as to its classification whenever the State Tax Assessor determines that the percentage of exempt sales is inaccurate. The State Tax Assessor may for good cause extend for not more than 30 days the time for making returns required under chapters 211 to 225. Every person subject to the use tax shall file similar reports, at similar dates, and pay the tax or furnish a receipt for the same from a registered retailer.

ATTACHMENT # 2
Affidavits

ST-MV-33	Immediate Removal Affidavit for Motor Vehicles
ST-P-19AE	Immediate Removal Affidavit for ATV's and Watercraft
ST-P-39	Nonresident Purchase of Snowmobile Affidavit
ST-MV-63	Purchase of Automobile for Lease or Rental
ST-MV-57A	Affidavit for Vehicle for use in Interstate Commerce
ST-MV-36	Out of State Delivery Affidavit
ST-L-154	Commercial Farm, Fish or Aquaculture Affidavit



MAINE REVENUE SERVICES

SALES, FUEL & SPECIAL TAX DIVISION

AFFIDAVIT OF EXEMPTION FOR IMMEDIATE REMOVAL

**For a Motor Vehicle (excluding all-terrain vehicles and snowmobiles);
Camper trailer (including a slide-in truck camper); Aircraft; Semitrailer; or
Truck body or Trailer manufactured in Maine
Sold to a Legal Resident of another State**

I certify this sale is exempt from sales tax, pursuant to 36 MRSA §1760(23) of the Maine Sales and Use Tax Law.

Make _____ Model _____ Year _____

VIN _____

Date of Sale _____ Sale Price \$ _____ Trade-in: Kind of Vehicle _____ \$ _____

Purchaser's Name – (please print) _____ last name _____ first _____ middle _____

Purchaser's Address – (please print) street address, PO Box number, etc. _____ City _____ State _____

The purchaser states to me at the time of sale that they are a legal resident of another state, and intend to remove the vehicle from Maine immediately upon delivery. If any information available to me indicates otherwise, I have retained evidence in addition to this affidavit which indicates that they have established legal residence in another state, such as records of permanent home, employment, tax registrations, federal identification number or driver's license from another state.

I declare under the penalties of perjury that all statements made by me herein are true, to the best of my knowledge and belief, and hereby authorize Maine Revenue Services to furnish a copy of this affidavit to the state which the purchaser declares herein to be their residence and/or to the state to which the vehicle is being removed.

Dealer's Name _____ Sales Tax # _____ Signature _____

I*, _____, hereby certify that my legal residence** or state of incorporation is in the state of _____, and that I will remove the vehicle to the state of _____ immediately upon delivery to me.

I do not claim Maine residency on any current income tax returns, homestead property tax exemptions, or licenses; to verify this, my Social Security Number or EIN is _____, and my date of birth or date of incorporation is _____.

I make this statement to allow the sale of the above described vehicle to me without payment of the Maine sales tax, otherwise applicable. If I register the vehicle in Maine within 12 months of the date of purchase, I will pay the Maine use tax at the time of registration based on the original purchase price. I declare under the penalties of perjury that the statements made herein are true to the best of my knowledge and belief and hereby authorize Maine Revenue Services to furnish a copy of this affidavit to the state of my legal residence and/or to the state to which the vehicle is being removed.

Signature of Purchaser _____ Title _____ Date _____

*Name of Business, if other than an individual

**One's fixed permanent home

Enclose this affidavit with the Maine Sales and Use Tax Return, and the Dealer's and Lessor's Supplemental Report.

ST-MV-33 Rev. 7/01



MAINE REVENUE SERVICES

SALES, FUEL & SPECIAL TAX DIVISION

AFFIDAVIT OF EXEMPTION FOR IMMEDIATE REMOVAL For a Watercraft, or an All-Terrain Vehicle Sold to a Legal Resident of Another State

I certify this sale is exempt from sales tax, pursuant to 36 MRSA §1760(25), (25-A) of the Maine Sales and Use Tax Law.

Make _____ Model _____ Year _____ VIN _____

Date of Sale _____ Sale Price \$ _____ Trade-in: Kind of Vehicle _____ \$ _____

Purchaser's Name – (please print) last name first middle

Purchaser's Address – (please print) street address, PO Box number, etc. City State

The purchaser states to me at the time of sale that they are a legal resident of another state, and intend to remove the vehicle from Maine immediately upon delivery. If any information available to me indicates otherwise, I have retained evidence in addition to this affidavit which indicates that they have established legal residence in another state, such as records of permanent home, employment, tax registrations, federal identification number or driver's license from another state.

I declare under the penalties of perjury that all statements made by me herein are true, to the best of my knowledge and belief, and hereby authorize Maine Revenue Services to furnish a copy of this affidavit to the state which the purchaser declares herein to be their residence and/or to the state to which the vehicle is being removed.

Dealer's Name _____ Sales Tax # _____ Signature _____

I*, _____, hereby certify that my legal residence** or state of incorporation is in the state of _____, and that I will remove the vehicle to the state of _____ immediately upon delivery to me.

I do not claim Maine residency on any current income tax returns, homestead property tax exemptions, or licenses; to verify this, my Social Security Number or EIN is _____, and my date of birth or date of incorporation is _____.

I make this statement to allow the sale of the above described vehicle to me without payment of the Maine sales tax, otherwise applicable. If the property is present in Maine (for a purpose other than temporary storage) for more than 30 days during the 12-month period following its purchase, or is registered in Maine without also being registered in another state, or is documented with the U.S. Coast Guard with a location in Maine within 12 months of its purchase, I will make payment of use tax to the State of Maine based on the original purchase price. I declare under the penalties of perjury that the statements made herein are true to the best of my knowledge and belief and hereby authorize Maine Revenue Services to furnish a copy of this affidavit to the state of my legal residence and/or to the state to which the vehicle is being removed.

Signature of Purchaser _____ Title _____ Date _____

*Name of Business, if other than an individual

**One's fixed permanent home

Enclose this affidavit with the Maine Sales and Use Tax Return, and the Dealer's and Lessor's Supplemental Report.

ST-P-19AE Rev. 5/00



MAINE REVENUE SERVICES SALES, FUEL & SPECIAL TAX DIVISION

AFFIDAVIT OF EXEMPTION For a Snowmobile Sold to a Legal Resident of Another State

I certify this sale is exempt from sales tax, pursuant to 36 MRSA §1760(25-B) of the Maine Sales and Use Tax Law.

Make _____ Model _____ Year _____ VIN _____

Date of Sale _____ Sale Price \$ _____ Trade-in: Kind of Vehicle _____ \$ _____

Purchaser's Name - (please print) _____
last name / first / middle

Purchaser's Address - (please print) street address, PO Box number, etc. _____
city _____ state _____

The purchaser states to me at the time of sale that he/she is a legal resident of another state. If any information available to me indicates otherwise, I have retained evidence in addition to this affidavit which indicates he/she has established legal residence in another state, such as records of his/her permanent home, employment, registration to vote, resident tax returns, or a driver's license from another state.

I declare under the penalties of perjury that all statements made by me herein are true, to the best of my knowledge and belief and hereby authorize Maine Revenue Services to furnish a copy of this affidavit to the state which the purchaser declares herein to be his/her legal residence and/or to the state to which the vehicle is being removed.

Dealer's Name _____ Sales Tax # _____ Signature _____

I, _____, hereby certify that my legal residence (my one, true, fixed, and permanent home) is in the state of _____.

I do not claim Maine residency on any income current tax returns, homestead property tax exemptions, or licenses; to verify this, my Social Security Number is _____, and my date of birth is _____ / _____ / _____ .
month day year

I make this statement to allow the sale of the above described vehicle to me without payment of the Maine sales tax, otherwise applicable. I declare under the penalties of perjury that the statements made herein are true to the best of my knowledge and belief and hereby authorize Maine Revenue Services to furnish a copy of this affidavit to the state of my legal residence and/or to the state to which the vehicle is being removed.

Signature of Purchaser _____ Date _____

Enclose this affidavit with the Maine Sales and Use Tax Return, and the Dealer's and Lessor's Supplemental Report. ST-P-39 Rev. 6-5-99



MAINE REVENUE SERVICES SALES, FUEL & SPECIAL TAX DIVISION

Certificate of Exemption To Purchase an Automobile for Lease or Short-Term Rental

I hereby certify that I hold valid Seller's Registration Certificate No. _____ issued pursuant to the Maine Sales and Use Tax Law, that I am engaged in the business of renting automobiles for less than a year or leasing automobiles for a year or more, and that I will report the tax based on the lease or rental on my Maine Sales and Use Tax Return. The property described below which I shall purchase from _____ will be used for (check one):

_____ rental for less than a year; integral parts or accessories are exempt when used in an automobile which is rented on a short-term basis.

_____ lease for a year or more; integral parts and accessories **are not exempt** when used in an automobile being leased for a year or more.

When the automobile (or part or accessory) is used for any other purpose it is understood that I am required by the Maine Sales and Use Tax Law to report and pay tax based on the purchase price of such property.

Description of property: _____

Purchaser _____

Address _____

Date _____



MAINE REVENUE SERVICES

SALES, FUEL & SPECIAL TAX DIVISION

INTERSTATE COMMERCE EXEMPTION AFFIDAVIT

For purchasers & retailers of vehicles, railroad rolling stock, aircraft & watercraft

INSTRUCTIONS TO RETAILER: This form requires the signature of both the retailer (Part A) and purchaser (Part B on page 2). It is very important that the retailer understand the qualifications for this exemption as indicated on page 2 so as not to misinform the purchaser. This form, when completed, is to be forwarded by the retailer with the monthly sales tax report on which the sale is claimed to be exempt. A copy of this affidavit should also be provided to the purchaser.

PART A – STATEMENT BY RETAILER

The undersigned hereby certifies that the vehicle described below is sold exempt from the Maine sales and use tax as an instrumentality of interstate or foreign commerce in accordance with 36 MRSA, Section 1760, subsection 41.

() Motor Vehicle () Trailer () Railroad Rolling Stock () Aircraft () Watercraft

Make _____ Year _____ Model No. _____ V.I.N. _____

The property checked above was purchased from _____ of _____
Name of seller Street Address

_____, on _____
City State Purchase Date

Purchase Amount Trade-in Credit Net Purchase Amount

The purchaser stated to me at the time of sale that this property will be placed in use by the purchaser as an instrumentality of interstate or foreign commerce within 30 days (90 days with good cause) after the date of the sale and that it will be used by the purchaser as an instrumentality of interstate or foreign commerce not less than 80% of the time for the next 2 years.

I declare under the penalties of perjury that all statements made by me herein are true to the best of my knowledge and belief.

Name of Seller _____ Sales Tax Registration No. _____

Address _____

By _____ Title _____

Date _____

(See page 2 for Part B, Statement by Purchaser)

INSTRUCTIONS TO PURCHASER: This statement is your certification that you qualify for the exemption mentioned on page 1 of this form. Please read and understand the following requirements of this exemption. Your signature on this affidavit will acknowledge that you have read this form in its entirety.

1. The property must be used by the purchaser in interstate or foreign commerce. **If the purchaser is using the ICC authority of another person, this exemption does not apply. A lessor of property used by the lessee as an instrumentality of interstate or foreign commerce does not qualify for exemption.**
2. The property must be placed in use in interstate or foreign commerce within 30 days (90 days with good cause) from the date of purchase. Good cause does not exist when the extension is required because of the taxpayer's negligence or failure to make a good faith effort to place the vehicle in interstate or foreign commerce within 30 days.
3. The property must be used not less than 80% of the time in interstate or foreign commerce for two years from the date of purchase.
4. **If the property is withdrawn from interstate or foreign commerce within two years so that it will not be used 80% of the time in interstate or foreign commerce for the 2-year period, the purchaser is required to report and pay the use tax to Maine Revenue Services, based on the original purchase price.**
5. Failure to return this affidavit properly completed will subject the purchaser to the Maine use tax. Purchasers who avoid payment of tax through deliberate misuse of the exemption certificate may be subject to prosecution.
6. The use of this vehicle is subject to audit by Maine Revenue Services. The audit would be to review the records of the owner with regard to the eligibility for exemption. The owner must maintain adequate records so that an accurate review is possible. Unless the owner is able to adequately document the claim for exemption, use tax along with appropriate interest and penalties will be assessed.

PART B – STATEMENT BY PURCHASER

Name of Owner (Individual, Partners' Names, or Corporate Name)	Telephone No.
Business Address _____	_____
Street	City State

I hereby certify that I will place in use, as an instrumentality of interstate or foreign commerce, the above-described property within 30 days (90 days with good cause) from the date of purchase, and that I will use it not less than 80% of the time as an instrumentality of interstate or foreign commerce for the next 2 years.

I understand that I make this statement to allow the purchase in Maine of the above-described property without payment of the Maine sales tax otherwise applicable, and I declare under the penalties of perjury that these statements are true to the best of my knowledge and belief.

I further certify that, if I do not use this property as an instrumentality of interstate or foreign commerce within 30 days (90 days with good cause) and for not less than 80% of the time for the next two years, I assume full responsibility for reporting and paying use tax to Maine Revenue Services, based on the original purchase price of the property.

Please check applicable statement:

- () ICC License No. _____ has been issued to me.
- () I only haul _____ which are exempt from ICC License requirements.
- () I only haul _____ which are products sold by me in my business.
- Date _____

Signature of Purchaser
Title _____
(Owner, Partner, or Officer of Corporation)

STMV57A

Rev. 3/2000



MAINE REVENUE SERVICES SALES, FUEL & SPECIAL TAX DIVISION

AFFIDAVIT OF EXEMPTION (To support out-of-state delivery)

The undersigned hereby certifies that the item described below is sold exempt from Maine sales tax because it was delivered to the purchaser outside the State of Maine by contract or common carrier or by the seller.

Type of Property _____
mobile home, motor vehicle, boat, etc.

Make _____ Year _____ Model No. _____

Serial No. _____ Sales Price \$ _____ Trade in _____

Date of Sale _____ Date of Delivery _____

The property described above was delivered to: Name of Purchaser _____

Legal Address of Purchaser _____

Place of Delivery * _____
Street City State

I hereby authorize Maine Revenue Services to furnish a copy of this affidavit to the state in which the purchaser declares herein as his legal address and/or to the state in which delivery was made.

Name of Seller _____ Sales Tax Cert. No. _____

Address _____

Signature of Seller _____

Signature of Person Making Delivery _____

The person shown above as seller or making delivery _____

_____ Name of person
personally came to me, who being duly sworn, did depose and say that the statements contained herein are true and correct.

Signed: _____

Justice of the Peace-Notary Public

Date: _____

My commission expires: _____

INSTRUCTIONS: This form, when completed, is to be forwarded by the dealer to the Sales Tax Section with the dealer's monthly sales tax report on which this sale is claimed to be exempt.

*If delivery was by common or contract carrier employed by dealer, or was delivered directly from the factory to a point outside Maine by someone other than the dealer, please explain manner of delivery, giving name and address of delivery carrier, on back of this sheet. In such cases the dealer should retain in his files documentary evidence of such delivery.

ST-MV-36
12/10/63 Rev. 6/84



MAINE REVENUE SERVICES SALES, FUEL & SPECIAL TAX DIVISION

AFFIDAVIT OF EXEMPTION

For purchases of electricity or depreciable machinery or equipment for use in commercial agricultural production, commercial fishing or commercial aquacultural production pursuant to Section 2013 of the Maine Sales and Use Tax Law.

I hereby certify that I hold a valid exemption certificate No. _____ issued pursuant to Section 2013 of the Sales and Use Tax Law, that I am engaged in commercial agricultural production of _____ or in the commercial fishing of _____ or commercial aquacultural production of _____ and that the electricity or depreciable machinery or equipment to be purchased from _____ is exempt for the reason(s) indicated below:

- ☐ a. Depreciable machinery or equipment used directly and primarily in commercial agricultural production;
- ☐ b. Depreciable machinery or equipment used directly and primarily in commercial fishing;
- ☐ c. Depreciable machinery or equipment used directly and primarily in commercial aquacultural production;
- ☐ d. Repair parts for depreciable machinery or equipment qualifying for exemption under (a) (b) or (c) above.
- ☐ e. Electricity for use in commercial agriculture, commercial fishing or commercial aquaculture.
Utility Account No. _____

I also certify that the depreciable machinery or equipment purchased through this affidavit will be used by me directly and primarily in commercial agricultural production, commercial fishing or commercial aquacultural production and is 100% depreciable for Federal Income Tax purposes or that the electricity purchased will be used in qualifying activities or support operations.

I further certify that I assume full liability for payment to the State of Maine of any use taxes, together with penalties and interest, that may later be determined to be due on any purchases covered by this affidavit because of a taxable use of the property.

Name of Individual or Corporation

Business Name (if different)

Signature

Title

Date

SEE NEXT PAGE FOR ADDITIONAL INFORMATION

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GENERAL RESTRICTIONS FOR USE OF THIS AFFIDAVIT OF EXEMPTION

This affidavit is to be retained in the records of the seller to document the qualification of exemption of any sale claimed exempt under 36 M.R.S.A. § 2013(3). **It must be accompanied by a copy of the purchaser's Certificate of Exemption issued by Maine Revenue Services, valid at the time of sale.** A copy of the Certificate and Affidavit need to be obtained by the seller on each subsequent purchase. However, if the purchaser indicates that a certain purchase is exempt pursuant to this affidavit, the invoice must be appropriately marked to indicate the exempt sale. The words "Commercial Agricultural Exemption", "Commercial Fishing Exemption" or "Commercial Aquacultural Exemption" will satisfy this requirement.

This affidavit must be taken in good faith by the seller. The good faith of the seller will be questioned if the seller knows, or has reason to know, that the person making the purchase is not the holder of the Certificate of Exemption, or that the machinery or equipment purchased will not be used by the purchaser directly and primarily in commercial agricultural production, commercial fishing or commercial aquacultural production or that the electricity purchased will not be used by the purchaser for qualifying activities or support operations.

This affidavit is valid only for purchases of depreciable machinery or equipment, including repair parts for qualifying machinery or equipment, used directly and primarily in commercial agricultural production, commercial fishing or commercial aquacultural production. This affidavit is not to be used for the purchase of the following items:

- (1) Machinery or equipment not 100% depreciable for Federal Income Tax purposes.
- (2) Items not commonly used in commercial agricultural production, commercial fishing or commercial aquacultural production, such as lawn and garden tractors, fork lift trucks, lag tractors, backhoe tractors, computers etc.
- (3) Motor vehicles including all terrain vehicles (ATVs) and snowmobiles.
- (4) Attachments for motor vehicles such as fertilizer bodies and potato bulk bodies.
- (5) Trailers.
- (6) Materials to be incorporated into real property such as building materials, heating systems and ventilating systems.
- (7) Silos.

Misuse of Affidavit of Exemption

Purchasers who avoid payment of tax through deliberate misuse of this affidavit of exemption will be subject to prosecution.

Additional Information

Please refer to Sales/Excise Tax Section Instruction Bulletin No. 45 (Commercial Agricultural Production), Bulletin No. 44 (Commercial Fishing) or Bulletin No. 49 (Commercial Aquacultural Production) for further details regarding qualifications and requirements. Requests for information on specific situations should be in writing, should contain full information as to the situation in question and should be directed to:

MAINE REVENUE SERVICES
SALES/EXCISE TAX DIVISION
P.O. BOX 1065
AUGUSTA, MAINE 04332-1065
TEL. NO. (207) 624-9693

Or visit our website at: www.maine.gov/revenue